



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AUDIT EXAMINATION OF THE  
UNION COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 2000**

**EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS  
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## **EXECUTIVE SUMMARY**

### **AUDIT EXAMINATION OF THE UNION COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 2000**

The Auditor of Public Accounts has completed the Union County Fiscal Court audit for fiscal year ended June 30, 2000. We have issued an unqualified opinion on the financial statements taken as a whole. Based upon the audit work performed, the financial statements are presented fairly in all material respects.

- We commend the Union County Fiscal Court, County Treasurer, and Finance Officer for their excellent accounting records and fiscal management policy.

#### **Financial Condition:**

Cash balances decreased by \$1,388,906 from the prior fiscal year, resulting in a cash balance of \$8,621,329 as of June 30, 2000. Cash receipts were \$12,567,508 and disbursements were \$13,856,414.

#### **Debt Obligations:**

Total bonded debt principal as of June 30, 2000, was \$1,800,000. Future collections of \$ 2,793,736 are needed over the next 15 years to pay all bonded debt principal and interest.

Capital lease principal agreements totaled \$125,000 as of June 30, 2000. Future principal and interest payments of \$147,678 are needed to meet these obligations.

#### **Deposits:**

The fiscal court's deposits were insured and collateralized by bank securities or bonds.

#### **Ambulance Service Contract:**

Union County is currently operating under a lease agreement with the Union County Methodist Hospital concerning ambulance service for Union County including garage facilities. The contract states the county is liable for monthly deficits of the ambulance service. The contract provides no maximum expense for which the county is liable. During the June 30, 2000, fiscal year, the county paid \$209,613 to Union County Methodist Hospital for ambulance support. The county paid \$15,148 for principal and interest payments on the ambulance building loan. The county also paid \$2,297 directly to vendors for program support of the ambulance service.



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## Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Mike Haydon, Secretary, Revenue Cabinet  
Honorable Larry Joe Jenkins, Union County Judge/Executive  
Members of the Union County Fiscal Court

### Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Union County, Kentucky, as of June 30, 2000, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Union County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Union County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received, except for the recording of long-term receivables and deferred revenue. Expenditures are recognized when paid, except for the recording of long-term obligations and amounts to be provided for in future years. The modified cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Union County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 2000, in conformity with the modified cash basis of accounting described above.

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Mike Haydon, Secretary, Revenue Cabinet  
Honorable Larry Joe Jenkins, Union County Judge/Executive  
Members of the Union County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Union County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated January 5, 2001 on our consideration of Union County, Kentucky's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grants.

- We commend the Union County Fiscal Court, County Treasurer, and Finance Officer for their excellent accounting records and fiscal management policies.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
January 5, 2001



UNION COUNTY OFFICIALS

Fiscal Year Ended June 30, 2000

**Fiscal Court Members:**

Larry Joe Jenkins	County Judge/Executive
James D. Austin	Magistrate
Joe Clements	Magistrate
Dennis Dossett	Magistrate
Bobby Veatch	Magistrate
Joe Wells	Magistrate

**Other Elected Officials:**

Brucie Kay Moore	County Attorney
Ed Dempsey	Jailer
Billy Steve Peak	County Clerk
Sue Beaven	Circuit Court Clerk
James R. Girten	Sheriff
Ben T. Waller	Property Valuation Administrator
Robert Scarberry	Coroner

**Appointed Personnel:**

Sandra R. Butts	County Treasurer
Vicki O' Nan	Finance Officer



STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS



UNION COUNTY  
STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 2000

Assets and Other Resources

Assets

General Fund Type

General Fund:			
Cash	\$	1,069,233	
Road and Bridge Fund:			
Cash		3,878,551	
Investments		1,924,000	
Jail Fund:			
Cash		25,842	
Local Government Economic Assistance Fund:			
Cash		1,227,430	
Payroll Revolving Account - Cash		<u>2,803</u>	\$ 8,127,859

Debt Service Fund Type

Public Properties Corporation Fund:			
Cash	\$	315,914	
Investments		<u>180,359</u>	496,273

Other Resources

General Fund Type

Amounts to be Provided in Future Years for Kentucky Association of Counties Leasing Trust Agreement Principal Payments (Note 4)	\$	125,000	
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Debt Service Fund Type

Amounts to be Provided in Future Years for Bond Principal Payments (Note 5)		<u>1,303,727</u>	<u>1,428,727</u>
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Total Assets and Other Resources			<u><u>\$ 10,052,859</u></u>
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The accompanying notes are an integral part of the financial statements.

UNION COUNTY  
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
 ARISING FROM CASH TRANSACTIONS  
 June 30, 2000  
 (Continued)

Liabilities and Fund Balances

Liabilities

General Fund Type

General Fund - Kentucky Association Of Counties

Leasing Trust Agreement Principal Payments (Note 4) \$ 125,000

Payroll Revolving Account - Cash 2,803

Debt Service Fund Types

Public Properties Corporation Fund:

Bonds Not Matured (Note 5) 1,800,000

Fund Balances

General Fund Type

General Fund \$ 1,069,233

Road and Bridge Fund 5,802,551

Jail Fund 25,842

Local Government Economic Assistance Fund 1,227,430 8,125,056

Total Liabilities and Fund Balances \$ 10,052,859

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

UNION COUNTY  
STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 2000

	General Fund Type			
	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 6,835,658	\$ 3,863,741	\$ 1,585,230	\$ 138,034
Transfers In	4,426,900	1,951,000	1,951,000	455,000
Kentucky Advance Revenue Program	1,204,950	1,204,950		
Total Cash Receipts	<u>\$ 12,467,508</u>	<u>\$ 7,019,691</u>	<u>\$ 3,536,230</u>	<u>\$ 593,034</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 8,052,669	\$ 5,513,205	\$ 1,038,498	\$ 578,145
Transfers Out	4,426,900	2,475,900	1,951,000	
Bonds:				
Principal Paid	65,000			
Interest Paid	106,895			
Kentucky Advance Revenue Program Repaid	1,204,950	1,204,950		
Total Cash Disbursements	<u>\$ 13,856,414</u>	<u>\$ 9,194,055</u>	<u>\$ 2,989,498</u>	<u>\$ 578,145</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ (1,388,906)	\$ (2,174,364)	\$ 546,732	\$ 14,889
Cash Balance - July 1, 1999	10,010,235	3,243,597	5,255,819	10,953
Cash Balance - June 30, 2000	<u>\$ 8,621,329</u>	<u>\$ 1,069,233</u>	<u>\$ 5,802,551</u>	<u>\$ 25,842</u>

The accompanying notes are an integral part of the financial statements.



UNION COUNTY  
STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES  
Fiscal Year Ended June 30, 2000  
(Continued)

<u>General Fund Type</u>		<u>Debt Service Fund Type</u>
<u>Local Government Economic Assistance Fund</u>	<u>Grant Fund</u>	<u>Public Properties Corporation Fund</u>
\$ 1,120,593	\$ 23,311	\$ 104,749 69,900
<u>\$ 1,120,593</u>	<u>\$ 23,311</u>	<u>\$ 174,649</u>
\$ 899,510	\$ 23,311	\$
		65,000 106,895
<u>\$ 899,510</u>	<u>\$ 23,311</u>	<u>\$ 171,895</u>
\$ 221,083	\$ 0	\$ 2,754
<u>1,006,347</u>		<u>493,519</u>
<u>\$ 1,227,430</u>	<u>\$ 0</u>	<u>\$ 496,273</u>

The accompanying notes are an integral part of the financial statements.

UNION COUNTY  
NOTES TO FINANCIAL STATEMENTS

June 30, 2000

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Union County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Public Properties Corporation as part of the reporting entity.

Additional - Union County Constitutional Elected Officials

- Circuit Court Clerk
- County Attorney
- County Clerk
- County Sheriff
- Property Valuation Administrator

The Kentucky constitution provides for election of the above officials from the geographic area constituting Union County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are subjected by oversight of state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. A list of Union County Fiscal Court's Fund Types, a definition of each, and a list of county funds included within each fund type are listed below.

1) General Fund Type

General Fund Type accounts for all financial resources except those required to be accounted for in another fund type. The Union County General Fund Type includes the following county funds: General Fund, Road and Bridge Fund, Jail Fund, Local Government Economic Assistance Fund (LGEA), Fund, Grant Fund, and the Federal Grant Fund. The Federal Grant Fund did not have any receipts and disbursements for the fiscal year ended June 30, 2000.

UNION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2000  
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

2) Debt Service Fund Type

Debt Service Fund Type accounts for the accumulation of resources for the payment of general long-term debt principal and interest and include funds for the Public Properties Corporation Fund. Debt service is provided through annual transfers from the General Fund Type.

C. Basis of Accounting

For all fund types, the county utilizes a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received, except for the recording of long-term receivables and deferred revenue. Expenditures are recognized when paid, except for the recording of long-term obligations and amounts to be provided for in future years.

D. Legal Compliance - Budget

The Union County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

Formal budgets are not adopted for Public Properties Corporation Fund (Debt Service Fund Type) because bond indentures and other relevant contractual provisions require specific payments to and from this fund annually and transfers are budgeted in the General Fund Type to comply with these requirements. The Department for Local Government does not require this fund to be budgeted.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

UNION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2000  
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 6.34 percent. Hazardous covered employees are required to contribute 8 percent of their salary to the plan. The county's contribution rate for hazardous employees was 16.28 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits and Investments

A. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 2000, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name.

UNION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2000  
(Continued)

Note 3. Deposits and Investments (Continued)

A. Deposits (Continued)

	<u>Bank Balance</u>
Collateralized with securities held by pledging depository institution in the county's name	<u>\$ 6,569,465</u>

B. Investments

The county's investments are categorized below to give an indication of the level of risk assumed by the county at year-end. Category 1 includes investments that are insured or registered or the securities are held by the county or by the county's agent in the county's name. Category 2 includes uninsured and unregistered investments where the securities are held by the financial institution in the county's name. Category 3 includes uninsured and unregistered investments where the securities were held by the financial institution, but not in the county's name.

Types of Investments	Categories			Carrying Amount	Market Value
	1	2	3		
Repurchase Agreements	<u>\$ 2,104,359</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,104,359</u>	<u>\$ 2,104,359</u>

Note 4: Capital Leases

A. Ambulance Building

On July 1, 1995, the Union County Fiscal Court made payments for the Union County Methodist Hospital, Inc. to Morganfield National Bank as repayments of principal and interest for the cost of constructing a four-bay building, which is to house the Union County Methodist Hospital Ambulance Service. On July 26, 1995, Union County entered into an agreement with Union County Methodist Hospital to repay the loan for the construction of the building. The loan was for \$71,790 at the interest rate of 5.5%. The loan is to be repaid in annual installments of principal and interest of 5 years. At July 1, 1999, the principal balance was \$14,358 and interest balance of \$790. The Union County Fiscal Court made principal payments of \$14,358 and interest payments of \$790. The capital lease agreement is fully paid at June 30, 2000.

UNION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2000  
(Continued)

Note 4. Capital Leases (Continued)

B. Health Department Building

On November 18, 1997, the Union County Fiscal Court entered into a lease agreement with the Kentucky Association of Counties Leasing Trust program. The lease principal amount was for \$160,000. The lease will bear interest on a fixed rate initially to be set at the closing. For the fiscal year ending June 30, 2001, the interest rate is 4.6%. The purpose of said lease is to provide funds for financing the addition and renovation of the County Health Department. The termination date of the lease is January 20, 2006. The Union County Health Department is currently making the lease payments.

<u>FYE</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
June 30, 2001	\$ 6,590	\$ 19,000
June 30, 2002	5,521	19,000
June 30, 2003	4,428	20,000
June 30, 2004	3,279	21,000
June 30, 2005	2,073	22,000
Thereafter	787	24,000
Totals	<u>\$ 22,678</u>	<u>\$ 125,000</u>

Note. 5. Long-Term Debt

A. Bonds outstanding of the Union County Public Properties Corporation Courthouse Bond Fund are:

\$1,800,000 of 5.550%, 5.600%, 5.625% and 6.125% of Series 1995 1<sup>st</sup> Mortgage Revenue bonds, dated March 1, 1995; interest payable semiannually on September 1 and March 1.

<u>FYE</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
June 30, 2001	\$ 103,106	\$ 70,000
June 30, 2002	99,028	75,000
June 30, 2003	94,809	75,000
June 30, 2004	90,450	80,000
June 30, 2005	85,809	85,000
Thereafter	520,534	1,415,000
Totals	<u>\$ 993,736</u>	<u>\$ 1,800,000</u>

UNION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2000  
(Continued)

Note 6. Lease agreement with Green River Area Development District

On July 27, 1993, the County entered into a lease agreement with Green River Area Development District to house computer equipment purchased through a Geographical Information System Grant. The lease provides for automatic extension from year to year upon \$1 lease fee. Green River Area Development District paid the Union County Fiscal Court a \$1 lease fee on July 22, 1999.

Note 7. Ambulance Service Contract

Union County is currently operating under a lease agreement with the Union County Methodist Hospital concerning ambulance service for Union County including garage facilities. The contract states the county is liable for monthly deficits of the ambulance service. The contract provides no maximum expense for which the county is liable. During the June 30, 2000, fiscal year, the county paid \$209,613 to Union County Methodist Hospital for ambulance support. The county paid \$15,148 for principal and interest payments on the ambulance building loan. The county also paid \$2,297 directly to vendors for program support of the ambulance.

Note 8. Insurance

For the fiscal year ended June 30, 2000, Union County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 9. Jail Canteen Fund

The canteen operations are authorized pursuant to KRS 441.135(1)(2), which allows the jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit or recreation of the inmates. KRS 68.210 requires the jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the Jail Canteen. Technical Audit Bulletins 93-002 and 97-001 provide additional accounting and expenditure guidance for acceptable jail canteen operations.

The Union County Jail Canteen Fund had income of \$42,839, less cost of goods sold of \$38,786, less other expenses of \$368, leaving net income at \$3,684 as of June 30, 2000. All profit expenditures were for the benefit and/or recreation of the inmates.

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COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE



UNION COUNTY  
COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 2000

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
<u>General Fund Type</u>			
General Fund	\$ 5,013,789	\$ 3,863,741	\$ (1,150,048)
Road and Bridge Fund	812,750	1,585,230	772,480
Jail Fund	92,401	138,034	45,633
Local Government Economic Assistance Fund	795,682	1,120,593	324,911
Grant Fund	29,757	23,311	(6,446)
Federal Grant Fund	<u>750,000</u>		<u>(750,000)</u>
Totals	<u>\$ 7,494,379</u>	<u>\$ 6,730,909</u>	<u>\$ (763,470)</u>

Reconciliation

Total Budgeted Operating Revenue Above	\$ 7,494,379
Add: Budgeted Prior Year Surplus	2,975,936
Budgeted Borrowed Money	1,204,950
Less: Other Financing Uses	<u>(1,274,850)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures	<u>\$ 10,400,415</u>

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SCHEDULE OF OPERATING REVENUE



UNION COUNTY  
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 2000

GOVERNMENTAL FUND TYPE

<u>Revenue Categories</u>	<u>Totals (Memorandum Only)</u>	<u>General Fund Type</u>	<u>Debt Service Fund Type</u>
Taxes	\$ 756,653	\$ 756,653	\$
In Lieu Tax Payments	72,157	72,157	
Excess Fees	169,260	169,260	
License and Permits	9,284	9,284	
Intergovernmental Revenues	5,074,585	4,985,145	89,440
Charges for Services	140,676	140,676	
Miscellaneous Revenues	119,684	119,684	
Interest Earned	<u>493,359</u>	<u>478,050</u>	<u>15,309</u>
 Total Operating Revenue	 <u><u>\$ 6,835,658</u></u>	 <u><u>\$ 6,730,909</u></u>	 <u><u>\$ 104,749</u></u>

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COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES



UNION COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 2000

Expenditure Categories	GENERAL FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 4,138,859	\$ 3,814,116	\$ 324,743
Protection to Persons and Property	782,422	805,677	(23,255)
General Health and Sanitation	455,869	414,938	40,931
Social Services	116,076	98,715	17,361
Recreation and Culture	1,286,932	1,175,704	111,228
Roads	1,288,271	1,042,774	245,497
Capital Projects	1,435,000	112,610	1,322,390
Administration	896,986	588,135	308,851
Total Operating Budget - All General Fund Types	\$ 10,400,415	\$ 8,052,669	\$ 2,347,746
Other Financing Uses:			
Borrowed Money-			
Kentucky Advanced Revenue			
Program - Principal	1,204,950	1,204,950	
Transfers to Public Property			
Corporation Fund	69,900	69,900	
TOTAL BUDGET - GENERAL FUND TYPE	<u>\$ 11,675,265</u>	<u>\$ 9,327,519</u>	<u>\$ 2,347,746</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS





## Edward B. Hatchett, Jr. Auditor of Public Accounts

Honorable Larry Joe Jenkins, Union County Judge/Executive  
Members of the Union County Fiscal Court

### Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Union County, Kentucky, as of and for the year ended June 30, 2000, and have issued our report thereon dated January 5, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether Union County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Union County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Honorable Larry Joe Jenkins, Union County Judge/Executive  
Members of the Union County Fiscal Court  
Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards  
(Continued)

This report is intended solely for the information and use of management and is not intended to be, and should not be, used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
January 5, 2001



CERTIFICATION OF COMPLIANCE –  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

UNION COUNTY FISCAL COURT

Fiscal Year Ended June 30, 2000



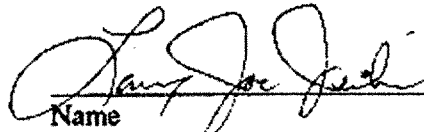
**CERTIFICATION OF COMPLIANCE**

**LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

**UNION COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 2000**

The Union County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

  
\_\_\_\_\_  
Name  
County Judge/Executive

  
\_\_\_\_\_  
Name  
County Treasurer